

AR36

File 93

RAM PETROLEUMS LIMITED

SECOND
**ANNUAL
REPORT**

RAM PETROLEUMS LIMITED

Registrar and Transfer Agent:

Guaranty Trust Company of Canada
366 Bay Street, Toronto, Ontario

Business Office:

Suite 1102,
347 Bay Street, Toronto 1, Ontario.

Bankers:

Toronto Dominion Bank
25 Adelaide Street West, Toronto 1, Ontario

Auditor:

D.H. Stodart, C.A.,
80 King Street West, Toronto, Ontario

Officers and Directors:

R.A. Burton - vice president and director
R.H. Krempulec - secretary and director
R.J. Opekar - president and director



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PRESIDENT'S REPORT TO THE SHAREHOLDERS:

It gives me much pleasure to report that your company during 1966 entered into arrangements which resulted in an underwriting of its shares in the early part of 1967. To date \$80,000 has been provided through this financing of which \$66,250 has been added to the company's working capital position and \$13,750 applied against its notes payable. Only \$25,000 of this amount is included in the statement dated June 30, 1967. \$25,000 was provided at the end of July 1967 and \$30,000 at the end of October 1967.

Your company is now in a position to become more active in the exploration and development of its properties. During the summer of 1967 your company:

Participated to the extent of 10% in an exploratory test in partnership with Ranger Oil (Canada) Ltd. The well, Ranger Cynthia-Pembina 4-28-51-11-W5M, encountered 4 1/2 ft. of porosity and oil staining and was considered uncommercial and subsequently abandoned.

Staked two uranium prospects and acquired a 90% interest in a third uranium prospect. At this point I can only say that preliminary assay results of representative samples have been encouraging and justify further work. For security reasons the exact locations of these properties cannot be disclosed as additional staking is still taking place.

An extensive seismic survey was completed by Geo Prospectors Inc. to evaluate approximately 5,000 acres of oil and gas leases held by your company in the townships of Moore and Sombra in the County of Lambton, Ontario. As a result of this survey and an evaluation of your company's properties by Bruce B. Corden, Petroleum Consultant, St. Clair, Mich., your company will proceed to drill two exploratory wells. One of these tests will commence before the end of this year.

Your company has acquired a 75% interest in Claims Blocks 699 and 700 in the Forbes Lake area of Saskatchewan. This property is favourably located in relation to Scurry Rainbow's nickle-copper prospect. Some work is planned for this property in the summer of 1968.

Over the next year your company's primary purpose will be to evaluate its Ontario oil and gas properties. These are located close to prolific pinnacle reefs, smaller, but similar to those found in the Rainbow area of Alberta. The lack of prorationing regulations, high market prices paid for gas and low exploratory costs make Ontario a most interesting area for exploration. Also, in view of the growing requirements for gas storage facilities, it is interesting to note that reefs can be developed into excellent gas storage reservoirs.

Despite your company's relatively small expenditure on exploration, it has achieved excellent results. Two most interesting reef prospects and one uranium showing in particular make me feel most optimistic about your company's future. I hope that development work will justify this optimism.

R. J. Opekar, President.

RAM PETROLEUMS LIMITED
(AND ITS WHOLLY OWNED SUBSIDIARY)
FIBROP MINES & OILS LIMITED

COMPARATIVE CONSOLIDATED INTERIM BALANCE SHEETS
AS AT DECEMBER 31st, 1965 AND 1966 AND JUNE 30th, 1967

ASSETS

<u>Current Assets</u>	<u>31 Dec. 1965</u>	<u>31 Dec. 1966</u>	<u>30 June 1967</u>
Cash in bank	\$ 1,611.47	\$ 253.72	\$ 5,306.72
Accounts Receivable	6,364.20	1,005.79	1,407.81
Investments at cost		<u>13,373.50</u>	<u>17,346.50</u>
	<u>\$ 7,975.67</u>	<u>\$14,633.01</u>	<u>\$ 24,061.03</u>
 <u>Fixed Assets</u>			
Equipment less depreciation	60,084.60		759.83
Oil and gas leases	242,248.01	77,332.61	77,332.61
Furniture and fixtures	<u>2,884.89</u>	<u>200.00</u>	<u>200.00</u>
	<u>\$305,217.50</u>	<u>\$77,532.61</u>	<u>\$78,292.44</u>
 <u>Other Assets</u>			
Mining Claims	2,500.00	1,500.00	1,500.00
Organisation expenses	1,513.50	1,513.50	1,513.50
Excess of cost of subsidiary over book value	<u>158,752.37</u>	<u>158,752.37</u>	<u>158,752.37</u>
	<u>\$162,765.87</u>	<u>\$161,765.87</u>	<u>\$161,765.87</u>
	<u>\$475,959.04</u>	<u>\$253,931.49</u>	<u>\$264,119.34</u>

LIABILITIES

Current Liabilities

Accounts Payable and	Accrued			
	Charges	14,144.83	2,994.17	11,342.89
Bank Loan		<u>42,500.00</u>	<u>8,772.11</u>	
		<u>\$56,644.83</u>	<u>\$11,766.28</u>	<u>\$11,342.89</u>

Long Term Liabilities

Mortgage Payable	50,000.00		
Note Payable	9,075.00		
Loans Payable	<u>49,425.00</u>	<u>62,400.00</u>	<u>62,400.00</u>
	<u>\$108,500.00</u>	<u>\$62,400.00</u>	<u>\$62,400.00</u>

SHAREHOLDERS' EQUITY

Capital Stock

Authorized 150,000 6% preferred
 shares of \$1 par
 4,000,000 common .25
 par value

Issued Common shares - less discount

For subsidiary	\$162,500.00	\$162,500.00	\$162,500.00
For cash	176,800.00	176,800.00	201,800.00
Capital Surplus	<u>21,812.05</u>	<u>35,237.05</u>	<u>35,237.05</u>
	<u>\$361,112.05</u>	<u>\$374,537.05</u>	<u>\$399,537.05</u>
	526,256.88	448,703.33	473,279.94
Deficit account	<u>50,297.84</u>	<u>194,771.84</u>	<u>209,160.60</u>
	<u>\$475,959.04</u>	<u>\$253,931.49</u>	<u>\$264,119.34</u>

October 31, 1967

Approved on behalf of the Board of Directors.

M. J. Khan
Director

Henry J. Smith
Director

CONSOLIDATED DEFICIT ACCOUNT

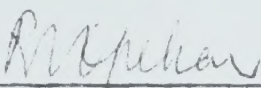
Balance December 31, 1966	\$194,771.84
Add loss for year to date	10,627.86
Cost of abandoned well	<u>4,000.00</u>
	209,399.70
Income tax recovered	<u>239.10</u>
	<u><u>\$209,160.60</u></u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

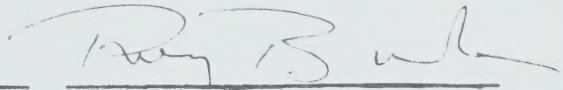
FOR THE SIX MONTHS ENDED JUNE 30, 1967

Proceeds of underwriting 200,000 shares @ $12\frac{1}{2}$ cents	\$ 25,000.00
Income tax recovered	<u>239.10</u>
	25,239.10
Less: Loss for period	\$10,627.86
Cost of abandoned well	4,000.00
Cost of prospecting equipment	<u>759.83</u>
	<u>15,387.69</u>
Added to working capital	9,851.41
Working capital January 1, 1967	<u>2,866.73</u>
Working capital January 30, 1967	<u>\$12,718.14</u>
October 31, 1967	

Approved on behalf of the Board of Directors



Director



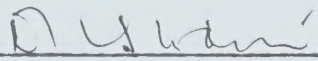
Director.

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
RAM PETROLEUMS LIMITED:

I have examined the consolidated balance sheets of Ram Petroleum Limited, and its subsidiary, Fibrop Mines and Oils Limited, as at June 30, 1967, December 31, 1966 and December 31, 1965, and the consolidated statements of operations and deficit for the six month and yearly periods ended on those dates. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying consolidated balance sheets and consolidated statements of operations and deficit present fairly, on a consolidated basis, the financial position of the companies as at June 30, 1967, December 31, 1966 and December 31, 1965, and the results of their operations for the periods ended on those dates, in accordance with generally accepted accounting principles.



Chartered Accountant

November 15, 1967

